

STATE OF IOWA  
DEPARTMENT OF COMMERCE  
UTILITIES BOARD

IN RE:  MATRIX TELECOM, INC., AND INTERNATIONAL EXCHANGE COMMUNICATIONS, INC.	DOCKET NO. WRU-02-47-561
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**ORDER DENYING UNNECESSARY WAIVER**

(Issued January 6, 2003)

On November 27, 2002, Matrix Telecom, Inc. (Matrix), and International Exchange Communications, Inc. (IECom), jointly filed with the Utilities Board (Board) a request for the waiver of 199 IAC 22.23(2) regarding individual customer verification rules for unauthorized changes in telecommunications services. Both Matrix and IECom are long distance telecommunications service providers in Iowa. No objection to the joint request has been filed.

The parties state that on December 29, 2000, Matrix and IECom entered into a management services agreement pursuant to which Matrix has been providing telecommunications service to IECom's customers under IECom's supervision. On January 4, 2001, IECom filed a voluntary petition under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court, Northern District of California, San Francisco Division. Since filing its petition, IECom has ceased operations.

The companies state that as part of the bankruptcy action, a settlement agreement has been attained between Matrix and IECom regarding the purchase of

IECom's assets. Pursuant to the settlement agreement, Matrix is to assume IECom's customer base and will continue to serve IECom's customers under the IECom logo. The parties state that the transfer will be transparent to the customers and no changes will occur in the rates, terms, and conditions of service. The parties have informed IECom's customers of the change in ownership.

Since this transaction will not result in a change in preferred carriers to Iowa customers, a waiver of the customer verification requirements of 199 IAC 22.23(2) is not necessary because no verification is required. As long distance service is deregulated in Iowa, the change in ownership of IECom assets does not require Board approval. Therefore, the joint request for waiver of that subrule will be denied.

**IT IS THEREFORE ORDERED:**

The joint request for the waiver of 199 IAC 22.23(2) filed by Matrix Telecom, Inc., and International Exchange Communications, Inc., on November 27, 2002, is denied.

**UTILITIES BOARD**

/s/ Diane Munns

/s/ Mark O. Lambert

ATTEST:

/s/ Judi K. Cooper  
Executive Secretary

/s/ Elliott Smith

Dated at Des Moines, Iowa, this 6<sup>th</sup> day of January, 2003.